UNIFIED SCHOOL DISTRICT NO. 413

Financial Statements and Supplemental Information with Report of Independent Auditors

For the Year Ended June 30, 2010

Unified School District No. 413 Chanute, Kansas Special Financial Statements For the Fiscal Period Ended June 30, 2010

INTRODUCTORY SECTION

Title Page Table of Contents

FINANCIAL SECTION

Independent Auditor's Report	1-2
Statement 1	
Summary of Cash Receipts, Expenditures,	
and Unencumbered Cash	4-5
Statement 2	
Summary of Expenditures - Actual and Budget	6
Statement 3	
Statement of Receipts and Expenditures - Actual and Budget -	
Individually Presented by Fund	
General Fund	7-9
Special Revenue Funds	
Supplemental General Fund	10-11
At Risk (4 Year Old)	12
At Risk (K-12) Fund	13
Bilingual Education Fund	14
Capital Outlay Fund	15
Driver Training Fund	16
Food Service Fund	17
Professional Development Fund	18
Special Education	19
Vocational Education Fund	20
Gifts and Grants Fund	21
KPERS Special Retirement Contribution Fund	22
Contingency Reserve	23
Textbook & Student Material Revolving Fund	24
Recreation Commission	25
Recreation Commission Employee Benefits	26
21 st Century Community Learning Centers Fund	27
Technology Literacy Challenge (Title II-D) Fund	28 29
Physical Education for Progress Fund Low Income ESEA (Title I) Fund	30
Improving Teacher Quality (Title II-A) Fund	31
Innovative Education Strategies (Title V) Fund	32
Drug Free School (Title IV-A) Fund	33
Discretionary Grant Fund	34
Debt Service Funds	31
Bond and Interest Fund	35
Capital Project Funds	
Stadium Capital Project Fund	36
School Building Capital Project Fund	37
Fiduciary, Expendable Trust Funds	
School Nurse - Needy Family Fund	38
Snyder Library Fund	39
Statement 4	
Statement of Cash Receipts and Disbursements - Agency Funds	40
•	

Unified School District No. 413 Chanute, Kansas Special Financial Statements For the Fiscal Period Ended June 30, 2010

Statement 5	
Statement of Cash Receipts, Expenditures and Unencumbered	
Cash - District Activity Funds	41
Statement 6	
Statement of Changes in Long-Term Debt	42-43
Notes to Financial Statements	44-51
ADDITIONAL INFORMATION	
Schedule 1	
Schedule of Insurance in Force	52
Schedule 2	
Schedule of Fidelity Bonds	53
APPENDIX A	
Auditor's Report on Compliance and Internal Control -	
Governmental Auditing Standards	54
Auditor's Report on Compliance and Internal Control -	
OMB Circular A-133	55-56
Schedule of Findings and Questioned Costs	57
Schedule of Expenditures of Federal Awards	58

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INDEPENDENT AUDITOR'S REPORT

Board of Education Unified School District No. 413 Chanute, Kansas

We have audited the accompanying statutory basis financial statements of Unified School District No. 413 Chanute, Kansas, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 413's, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Unified School District No. 413, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The differences between this regulatory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 413 as of June 30, 2010, or changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 413, as of June 30, 2010, and the revenues it received and expenditures it paid for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2011, on our consideration of Unified School District No. 413's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 413's statutory basis financial statements. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the statutory basis financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part Unified School District No. 413's statutory basis financial statements. This

SCHLOTTERBECK AND BURNS, L.L.C.

supplemental information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements, and, in our opinion, is fairly stated, in all material respects in relation to the statutory basis financial statements taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlotterbeck and Burns, L.L.C.

February 4, 2011

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Unified School District No. 413 Summary of Cash Receipts, Expenditures, and Unencumbered Cash For the Year Ended June 30, 2010

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Un	Ending encumbered ish Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Bala	
Governmental Type Funds:							_		_	
General	(2)	\$ 15,326	1,290	13,186,161	13,201,486		1,291	89,536		,827
Supplemental General	(2)	65,194	3,383	4,281,717	4,241,939		108,355	174,088	282	2,443
Special Revenue:										
At Risk (4 Year Old)		14,575		69,239	58,813		25,001	254		,255
At Risk (K-12)	(2)	218,472	955	2,439,177	2,008,544		650,060	9,960		,020
Bilingual Education				22,820			22,820			,820
Capital Outlay	(2)	3,311,328	18,807	2,659,040	619,262		5,369,913	34,071	5,403	
Driver Training		54,169		19,812	18,877		55,104			,104
Food Service	(2)	211,666	25	1,179,181	1,114,761		276,111	2,577		3,688
Professional Development	(2)	173,537	523	100,000	99,247		174,813	2,630		,443
Special Education		802,196		2,628,950	2,679,407		751,739	302		,041
Vocational Education	(2)	19,147	156	330,491	320,794		29,000	15,816	44	,816
Gifts and Grants		420			225		195			195
KPERS Special Retirement Contribution				343,433	673,884	(330,451)	330,451		
Contingency Reserve		1,409,865					1,409,865		1,409	,865
Textbook & Student Material Revolving		84,195		47,566	39,891		91,870	18,088	109	,958
Recreation Commission		73,915		223,409	227,000		70,324		70	,324
Rec Comm Emp Benf & Spec Liab		13,920		40,944	41,000		13,864		13	,864
21st Century Community Learning Centers		1,592					1,592		1	,592
Technology Literacy Challenge (Title II-D)		(240)		6,982	8,575	(1,833)		(1	,833)
Physical Education for Progress		(10,465)		86,583	76,118			4,778	4	,778
Low Income ESEA (Title I)		(2,305)		556,066	679,265	(125,504)	50,178	(75	,326)
Improving Teacher Quality (Title II-A)		(8,517)		108,619	147,038	(46,936)	304	(46	,632)
Innovative Educ Prog Strategies (Title V)		28			28					
Drug-Free Schools (Title IV-A)		236			236					
Gate Receipts		24,425		96,356	99,583		21,198		21	,198
Special Projects		2,796		24,079	5,867		21,008			,008
Debt Service:		,		,	,		,			
Bond and Interest		635,376		1,795,383	2,023,356		407,403		407	,403
Capital Projects:		,		,,.	,,		,			,
Stadium Capital Project				20,650	20,650					
School Building Capital Project		2,223,965		1,230	4,752		2,220,443		2,220	.443
Expendable Trusts:		_,,,		-,	.,		_,,		_,	,
School Nurse - Needy Family		6,778		430	819		6,389		6	,389
Snyder Library		162		.20	017		162			162
Total Primary Government (1)		9,341,756	25,139	30,268,318	28,411,417	_	11,223,796	733,033	11,956	

Unified School District No. 413 Summary of Cash Receipts, Expenditures, and Unencumbered Cash For the Year Ended June 30, 2010

Beginning Balance

Adjustment

Beginning Unencumbered Cash Balance

Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
				228,148
				328
				77
				11,217,251
				679,370
				(168,345)
				11,956,829

Statement 1

Composition of Cash:

Bank of Commerce, Chanute, Ks

Cash Items

Cash on Hand

Community National Bank, Chanute, Ks

Home Savings Bank, Chanute, Ks

Less: Agency Funds per Statement 4

Total Primary Government (1)

- (1) Excluding Agency Funds
- (2) Beg Bal Adjust Prior Year Encumbrances Cancelled

Unified School District No. 413 Summary of Expenditures - Actual and Budget (Budgeted Funds Only) For the Year Ended June 30, 2010

	Certified Budget	Legal Max. Adjustment	Qualified Budget Cr. Adjustment	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:						<u> </u>
General	\$ 13,201,486			13,201,486	13,201,486	
Supplemental General	4,241,939			4,241,939	4,241,939	
Special Revenue:						
At Risk (4 Year Old)	82,573			82,573	58,813	23,760
At Risk (K-12)	2,687,836			2,687,836	2,008,544	679,292
Bilingual Education						
Capital Outlay	1,950,000			1,950,000	619,262	1,330,738
Driver Training	56,230			56,230	18,877	37,353
Food Service	1,158,150		107,618	1,265,768	1,114,761	151,007
Professional Development	169,093			169,093	99,247	69,846
Special Education	2,964,393			2,964,393	2,679,407	284,986
Vocational Education	320,983			320,983	320,794	189
Gifts and Grants	10,420			10,420	225	10,195
KPERS Special Retirement Contribution	768,240			768,240	673,884	94,356
Recreation Commission	227,000			227,000	227,000	
Rec Comm Emp Benf & Spec Liab	41,000			41,000	41,000	
Debt Service:						
Bond and Interest	2,023,356			2,023,356	2,023,356	
Totals	29,902,699		107,618	30,010,317	27,328,595	2,681,722

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Yea	ır
	Prior	Current		Variance
	Year	Year	D., J.,	Favorable
Cash Receipts	Actual	Actual	Budget	(Unfavor)
Revenue from Local Sources				
Ad Valorem Taxes \$	1,030,381	1,078,089	1,038,668	39,421
Delinquent Taxes	18,043	14,430	16,244	(1,814)
Total Revenue from Local Sources	1,048,424	1,092,519	1,054,912	37,607
Revenue from County Sources				
Revenue in Lieu of Taxes	4,189	3,593	1,280	2,313
Revenue from State Sources				
State Financial Aid	10,865,385	9,560,299	9,588,782	(28,483)
Mineral Production Tax	22,449	6,285	17,000	(10,715)
Slider	17,749			
Special Education Aid	2,137,449	1,928,950	1,928,950	
Total Revenue from State Sources	13,043,032	11,495,534	11,534,732	(39,198)
Revenue from Federal Sources				
ARRA Grant		594,515	594,515	
Total Cash Receipts	14,095,645	13,186,161	13,185,439	722
Expenditures and Transfers				
Instruction				
Certified Salaries	3,930,077	3,202,634	4,007,000	804,366
Group Insurance	331,490	304,390	365,000	60,610
Social Security Contributions	277,103	270,836	294,000	23,164
Other Employee Benefits	69,572	51,154	43,000	(8,154)
Communication Services	31,800	27,178	,	(27,178)
Other Miscellaneous Purchased Services	123	16,846	46,000	29,154
General Supplies and Materials		5,798		(5,798)
Property (Equipment & Furnishings)			45,000	45,000
Total Instruction	4,640,165	3,878,836	4,800,000	921,164
Support Services - Students				
Certified Salaries	288,864	297,221	295,000	(2,221)
Non-Certified Salaries	18,144	29,578	20,000	(9,578)
Group Insurance		35,420	30,600	(4,820)
Social Security Contributions	22,688	23,740	23,250	(490)
Other Employee Benefits	4,866	3,183	4,350	1,167
Total Support Services - Students	334,562	389,142	373,200	(15,942)
Support Services - Instructional Staff				
Certified Salaries	197,521	182,774	204,000	21,226
Group Insurance		12,956		(12,956)
Social Security Contributions	14,119	13,448	17,500	4,052
Other Employee Benefits	3,358	1,788	2,700	912
General Supplies and Materials	1,829	958		(958)
Books and Periodicals	41,997	35,719	63,725	28,006
Miscellaneous Supplies			2,000	2,000
Total Support Services - Instructional Staff	258,824	247,643	289,925	42,282
Support Services - General Administration				
Certified Salaries	205,200	210,330	218,000	7,670
Non-Certified Salaries	61,780	66,920	66,300	(620)
Group Insurance	18,029	19,687	19,800	113
Social Security Contributions	19,703	20,130	20,700	570
Other Employee Benefits	3,857	2,625	3,100	475
Purchased Professional and Technical Services	145,665	102,694	120,000	17,306
Communication Services	4,745	8,049	4,800	(3,249)
Supplies and Materials	***	2- 2	43,000	43,000
Other	29,262	27,375	107.700	(27,375)
Total Support Services - General Administration	488,241	457,810	495,700	37,890

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

(With Comparative Actual Totals	for the Prior Tear En	ided June 30, 2009	<u> </u>	Current Year			
	Prior	Current			Variance		
	Year	Year			Favorable		
	Actual	Actual	Budget	_	(Unfavor)		
Support Services - School Administration	570.651	505.504	620,000		22.206		
	578,651	597,794	620,000		22,206		
Non-Certified Salaries	181,572	167,057	185,000		17,943		
Group Insurance	57,779 52,177	56,451 52,205	70,500		14,049		
Social Security Contributions	53,177	52,295	60,000		7,705		
Other Employee Benefits Total Support Services - School Administration	13,061 884,240	7,288 880,885	10,900 946,400	_	3,612 65,515		
Support Services - Plant Operation and Maintenance	004,240		940,400	_	05,515		
Purchased Professional and Technical Services	2,157	2,055	2,000	(55)		
Water/Sewer Services (Non-Energy)	22,917	24,605	23,750	(855)		
Cleaning Services	20,946	19,108	21,000	(1,892		
Repairs and Maintenance Services	70,790	103,857	85,000	(18,857)		
Repair of Buildings	45,553	37,908	52,000	(14,092		
Insurance Services	87,606	129,317	83,500	(45,817)		
Other Miscellaneous Purchased Services	21,874	15,754	28,600	(12,846		
General Supplies and Materials	101,465	77,297	65,000	(12,297)		
Heating	131,314	86,928	149,900	(62,972		
Electricity	417,446	336,849	388,200		51,351		
Motor Fuel	15,511	9,262	10,000		738		
Property (Equipment & Furnishings)	13,311	871	70,000		69,129		
Total Support Services - Plant Operation and Maintenance	937,579	843,811	978,950		135,139		
Vehicle Operation Services				-	133,137		
Non-Certified Salaries	121,329	119,701	125,000		5,299		
Group Insurance	22,296	27,758	23,000	(4,758)		
Social Security Contributions	10,962	10,325	9,200	(1,125)		
Other Employee Benefits	2,492	1,470	700	(770)		
Insurance Services	7,257	13,575	12,000	(1,575)		
Motor Fuel	47,308	50,396	75,000	(24,604		
Property (Equipment & Furnishings)	47,500	21,100	75,000	(21,100)		
Vehicles (Including school buses)	95,992	106,140	114,000	(7,860		
Other	2,054	1,894	111,000	(1,894)		
Total Vehicle Operation Services	309,690	352,359	358,900	_	6,541		
Supervision Services				_	0,3 11		
Non-Certified Salaries	29,014	28,292	30,000		1,708		
Social Security Contributions	2,,011	527	2,350		1,823		
Other Employee Benefits		02.	2,700		2,700		
Total Supervision Services	29,014	28,819	35,050	_	6,231		
Vehicle Servicing and Maintenance Services				_			
Purchased Professional and Technical Services	51,057	9,256	26,200		16,944		
Purchased Property Services	21,027	19,329	20,200	(19,329)		
Supplies and Materials	12,717	11,252	12,000	`	748		
Other	2,550	2,139	,	(2,139)		
Total Vehicle Servicing and Maintenance Services	66,324	41,976	38,200	(3,776)		
Support Services - Business				`_			
Non-Certified Salaries	39,123	40,013	41,000		987		
Group Insurance	5,418	5,888	6,200		312		
Social Security Contributions	2,888	3,009	3,200		191		
Other Employee Benefits	671	415	950		535		
Total Support Services - Business	48,100	49,325	51,350	_	2,025		
Fund Transfers							
Bilingual Education		22,820		(22,820)		
Capital Outlay	2,012,947	2,304,780	1,687,842	Ì	616,938)		
Food Service	122,207	,,	, ,	`	,,		
Professional Development	124,368						
Special Education	2,137,449	1,928,950	2,072,197		143,247		
Vocational Education	283,084	302,338	200,592	(101,746)		
Contingency Reserve	820,000	,	,-,-	`	,,,		
At Risk (4yr Old)	,	59,240	68,000		8,760		
· · · · · · · · · · · · · · · · · · ·		27,2.0	33,000		3,. 33		

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Year		
		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
At Risk (K-12)	\$	603,886	1,412,752	805,180	(607,572)
Total Fund Transfers		6,103,941	6,030,880	4,833,811	(1,197,069)
Total Expenditures and Transfers	-	14,100,680	13,201,486	13,201,486	
Receipts Over (Under)					
Expenditures and Transfers	(5,035)	(15,325)		
Unencumbered Cash, Beginning		20,480	15,326		
Prior Year Encumbrances Cancelled	(119)	1,290		
Unencumbered Cash, Ending	=	15,326	1,291		

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Yea	ar	
	Prior	Current			Variance
	Year	Year	ъ 1 .		Favorable
Cook Pagaints	Actual_	Actual	Budget		(Unfavor)
Cash Receipts Revenue from Local Sources					
Ad Valorem Taxes \$	1,194,999	1,559,228	1,443,286		115,942
Delinquent Taxes	23,907	24,697	19,087		5,610
Total Revenue from Local Sources	1,218,906	1,583,925	1,462,373	_	121,552
Revenue from County Sources		1,505,725	1,402,373	_	121,332
Motor Vehicle Tax	162,350	169,123	173,915	(4,792)
Recreational Vehicle Tax	2,055	2,218	2,196	`	22
Revenue in Lieu of Taxes	3,423	3,568	1,339		2,229
Total Revenue from County Sources	167,828	174,909	177,450	(2,541)
Revenue from State Sources				`	
Supplemental State Aid	2,700,475	1,883,086	2,536,128	(653,042)
Slider	8,127	, ,	, ,	`	,
Total Revenue from State Sources	2,708,602	1,883,086	2,536,128	(653,042)
Revenue from Federal Sources				_	
ARRA Grant		639,797			639,797
Total Cash Receipts	4,095,336	4,281,717	4,175,951		105,766
Expenditures and Transfers					
Instruction					
Certified Salaries		639,797		(639,797)
Non-Certified Salaries	67,591	67,752	72,000		4,248
Group Insurance	19,829	23,631	21,000	(2,631)
Social Security Contributions	4,380	4,499	10,000		5,501
Purchased Professional and Technical Services	23,969	22,951	18,000	(4,951)
Other Miscellaneous Purchased Services	1,840	391	6,700		6,309
General Supplies and Materials	269,724	291,264	398,767		107,503
Textbooks	135,294	47,086	110,000		62,914
Technology Supplies	80,730	71,764	92,594		20,830
Miscellaneous Supplies	3,897	2,082	6,390		4,308
Property (Equipment & Furnishings)	149,975	113,484	183,544	,	70,060
Equipment	24,426	34,348	2 200	(34,348)
Other	11,659	2,396	2,200	<u>_</u>	196)
Total Instruction	793,314	1,321,445	921,195	(400,250)
Support Services - Students	51.520	50 505	54.000		1 462
Certified Salaries	51,538	52,537	54,000		1,463
Non-Certified Salaries	13,689	14,095	17,500		3,405
Group Insurance	4,872	5,221	15,000		9,779
Social Security Contributions	4,911	4,996	7,500		2,504
Other Employee Benefits	6,563	3,983	8,800	,	4,817
Purchased Professional and Technical Services	337	411	400	(11)
Other Purchased Services	1,197	1,255	2,000		745
Supplies and Materials Total Support Services - Students	2,623 85,730	2,400 84,898	4,550	_	2,150 24,852
	65,750	04,090	109,730	_	24,632
Support Services - Instructional Staff	65 522	48,431	67.500		10.060
Certified Salaries	65,523		67,500		19,069
Non-Certified Salaries Group Insurance	189,052 23,338	183,960 25,583	193,500 24,500	(9,540 1,083)
Social Security Contributions	17,783	16,210	18,500	(2,290
Other Employee Benefits	17,705	10,210	5,000		5,000
Purchased Professional and Technical Services	9,389	8,367	5,000	(3,367)
Purchased Property Services	7,507	0,307	5,000	(5,000
Other Purchased Services	2,376	1,315	3,000		1,685
Total Support Services - Instructional Staff	307,461	283,866	322,000	_	38,134
Total Support Services - Instructional Staff	307,401	203,000	322,000	_	30,134

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

				ear		
		Prior	Current			Variance
		Year	Year	Dudget		Favorable
Support Services - General Administration		Actual	Actual	Budget	_	(Unfavor)
Supplies and Materials	\$	1,505	1 662	4,000		2,337
Support Services - School Administration	Ф	1,303	1,663	4,000	_	2,337
Supplies and Materials		37,628	19,060	39,750		20,600
General Supplies and Materials		12,034	6,617	39,730	(20,690 6,617)
Total Support Services - School Administration		49,662	25,677	39,750	_	14,073
Support Services - Plant Operation and Maintenance		49,002	23,077	39,730	_	14,073
Non-Certified Salaries		517 222	404 707	565,000		70,203
Group Insurance		517,233 73,415	494,797 83,516	77,000	(6,516)
Social Security Contributions		37,542	35,051	42,900	(7,849
Other Employee Benefits		7,559	4,518	8,750		4,232
Repair of Buildings		7,559	4,316	120,000		120,000
General Supplies and Materials		9,637	83	15,000		14,917
Property (Equipment & Furnishings)		9,037	63	200,000		200,000
Total Support Services - Plant Operation and Maintenance		645,386	617,965	1,028,650	_	410,685
Facilities Acquisition and Construction Services		043,380	017,903	1,028,030	_	410,065
Architecture and Engineering Services				20,000		20,000
Fund Transfers				20,000	_	20,000
Virtual Education				13,100		13,100
Driver Training		10,000	10,000	13,100	(10,000)
Food Service		10,000	50,000		(50,000)
Professional Development		50,000	100,000		(100,000)
Special Education		741,938	700,000	40.000	(660,000)
Vocational Education		741,936	10,000	79,309	(69,309
At Risk (4yr Old)		70,338	10,000	19,309	(10,000)
At Risk (44) Old) At Risk (K-12)		1,392,225	1,026,425	1,664,185	(637,760
Total Fund Transfers		2,264,501	1,906,425	1,796,594	_	109,831)
Total Expenditures and Transfers		4,147,559	4,241,939	4,241,939	_	109,631)
Total Expellutures and Transfers		4,147,339	4,241,939	4,241,939	_	
Receipts Over (Under)						
Expenditures and Transfers		(52,223)	39,778			
-			•			
Unencumbered Cash, Beginning		114,270	65,194			
Prior Year Encumbrances Cancelled		3,147	3,383			
Unencumbered Cash, Ending		65,194	108,355			

At Risk (4 Year Old) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

		_	Current Year			
		Prior	Current			Variance
		Year	Year			Favorable
	<u>-</u>	Actual	Actual	Budget		(Unfavor)
Cash Receipts						
Operating Transfers						
Transfer from General Fund	\$		59,239	68,000	(8,761)
Transfer from Supplemental General Fund		70,340	10,000		_	10,000
Total Cash Receipts		70,340	69,239	68,000	_	1,239
Expenditures and Transfers						
Instruction						
Certified Salaries		41,106	42,450	41,500	(950)
Non-Certified Salaries		11,944		11,635		11,635
Group Insurance		4,818	5,150	8,900		3,750
Social Security Contributions		4,034	3,222	3,800		578
Other Employee Benefits		759	418	400	(18)
Supplies and Materials		1,377	2,176		(2,176)
General Supplies and Materials		2,960	4,044	2,338	(1,706)
Property (Equipment & Furnishings)				2,000		2,000
Equipment		2,262				
Total Instruction		69,260	57,460	70,573		13,113
Support Services - Instructional Staff					_	
Purchased Professional and Technical Services		1,505	1,353	10,000		8,647
Miscellaneous Supplies				2,000		2,000
Total Support Services - Instructional Staff		1,505	1,353	12,000	_	10,647
Total Expenditures and Transfers		70,765	58,813	82,573	_	23,760
Receipts Over (Under)						
Unencumbered Cash, Beginning		15,000	14,575			
Expenditures and Transfers	(425)	10,426			
Unencumbered Cash, Ending		14,575	25,001			

At Risk (K-12) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Vear Ended June 30, 2010

For the Year Ended June 30, 2010 (With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		ır		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund \$	603,886	1,412,752	805,180	607,572
Transfer from Supplemental General Fund	1,392,225	1,026,425	1,664,185	(637,760)
Total Cash Receipts	1,996,111	2,439,177	2,469,365	(30,188)
Expenditures and Transfers				
Instruction				
Certified Salaries	1,394,108	1,442,168	1,850,000	407,832
Non-Certified Salaries	299,366	256,415	341,936	85,521
Group Insurance	166,148	167,855	260,000	92,145
Social Security Contributions	121,976	118,101	161,000	42,899
Other Employee Benefits	29,303	16,166	16,900	734
Purchased Professional and Technical Services			20,000	20,000
Other Purchased Services	8,740			
Other Miscellaneous Purchased Services			10,000	10,000
General Supplies and Materials	8,411	4,080	7,500	3,420
Technology Supplies			7,500	7,500
Property (Equipment & Furnishings)			8,000	8,000
Equipment		3,759		(3,759)
Total Instruction	2,028,052	2,008,544	2,682,836	674,292
Support Services - Instructional Staff				
Miscellaneous Supplies			5,000	5,000
Total Expenditures and Transfers	2,028,052	2,008,544	2,687,836	679,292
Receipts Over (Under)				
Unencumbered Cash, Beginning	250,413	218,472		
Expenditures and Transfers	(31,941)	430,633		
Prior Year Encumbrances Cancelled		955		
Unencumbered Cash, Ending	218,472	650,060		

Bilingual Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

Cash Receipts		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Operating Transfers					
Transfer from General Fund Total Cash Receipts	\$		22,820 22,820		22,820 22,820
Expenditures and Transfers None					
Receipts Over (Under) Expenditures and Transfers			22,820		
Unencumbered Cash, Beginning Unencumbered Cash, Ending	 =		22,820		

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

				Current Yea	ar	
		Prior	Current			Variance
		Year	Year	Dudget		Favorable
Cash Receipts	-	Actual	Actual	Budget	_	(Unfavor)
Revenue from Local Sources						
Ad Valorem Taxes	\$	241,996	13,973	20,104	(6,131)
Delinquent Taxes	Ψ	5,651	5,638	3,839	(1,799
Earnings on Investments		153,882	186,880	100,000		86,880
Other Revenue From Local Sources		235,697	109,033	75,000		34,033
Total Revenue from Local Sources		637,226	315,524	198,943	_	116,581
Revenue from County Sources		037,220	313,324	170,743	_	110,361
Motor Vehicle Tax		38,343	37,530	38,767	(1,237)
Recreational Vehicle Tax		,	,	38,767 489	(
		486	490			1
Revenue in Lieu of Taxes		807	718	299	_	419
Total Revenue from County Sources		39,636	38,738	39,555	(_	817)
Revenue from State Sources		2.541				
Slider		3,561				
Capital Outlay State Aid		125,161			_	
Total Revenue from State Sources		128,722			_	
Operating Transfers						
Transfer from General Fund		2,012,947	2,304,778	1,687,842	_	616,936
Total Cash Receipts		2,818,531	2,659,040	1,926,340	_	732,700
Expenditures and Transfers						
Instruction						
Property (Equipment & Furnishings)		234,577	40.999	500,000		459,001
Support Services - Plant Operation and Maintenance		234,377	40,999	300,000	_	439,001
Property (Equipment & Furnishings)		28,317	16,622	200.000		183,378
Student Transportation Services		20,317	10,022	200,000	_	165,576
Property (Equipment & Furnishings)		23,014		200,000		200,000
Support Services - Business		23,014		200,000	_	200,000
Property (Equipment & Furnishings)				100,000		100.000
				100,000	_	100,000
Facilities Acquisition and Construction Services		40, 422	12.059	400,000		297.042
Site Improvement Services		40,422	12,958	400,000		387,042
Architecture and Engineering Services		20,158	38,834	50,000		11,166
New Buildings Acquisition and Construction		1,061,669	276,261	400,000	,	123,739
Building Repair and Remodeling		199,765	233,588	100,000	(_	133,588)
Total Facilities Acquisition and Construction Services		1,322,014	561,641	950,000	_	388,359
Total Expenditures and Transfers		1,607,922	619,262	1,950,000	=	1,330,738
Receipts Over (Under)						
Expenditures and Transfers		1,210,609	2,039,778			
Unencumbered Cash, Beginning		2,097,150	3,311,328			
Prior Year Encumbrances Cancelled		3,569	18,807			
Unencumbered Cash, Ending		3,311,328	5,369,913			

Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

				Current Year	
		Prior	Current		Variance
		Year	Year	. .	Favorable
		Actual	Actual	Budget	(Unfavor)
Cash Receipts					
Revenue from Local Sources	_				
Other Revenue From Local Sources	\$	7,989	6,711		6,711
Revenue from State Sources					
State Financial Aid		2,584	3,100	2,850	250
Operating Transfers					
Transfer from Supplemental General Fund		10,000	10,001		10,001
Total Cash Receipts		20,573	19,812	2,850	16,962
Expenditures and Transfers					
Instruction					
Certified Salaries		12,400	17,500	20,000	2,500
Social Security Contributions		928	1,313	1,700	387
Other Employee Benefits		13	14	50	36
General Supplies and Materials		13	1.	4,000	4,000
Miscellaneous Supplies		623	50	6,000	5,950
Other		023	30	1,000	1,000
Total Instruction		13,964	18,877	32,750	13,873
Vehicle Operation and Maintenance Services		13,701		32,730	15,675
Insurance Services				500	500
Motor Fuel				750	750
Property (Equipment & Furnishings)				22,230	22,230
Total Vehicle Operation and Maintenance Services				23,480	23,480
Total Expenditures and Transfers		13,964	18,877	56,230	37,353
Total Expenditures and Transfers				20,230	
Receipts Over (Under)					
Expenditures and Transfers		6,609	935		
Unencumbered Cash, Beginning		47,560	54,169		
Unencumbered Cash, Ending		54,169	55,104		

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Year	
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts	Actual	Actual	Buaget	(Ciliavoi)
Revenue from Local Sources				
Student Sales \$	372,645	415,750	307,203	108,547
Adults and Non-Reimbursable Programs	68,878	20,412	56,293	(35,881)
Other Revenue From Local Sources	7,977	4,257		4,257
Total Revenue from Local Sources	449,500	440,419	363,496	76,923
Revenue from State Sources				
State Financial Aid	10,837	10,482	12,326	(1,844)
Revenue from Federal Sources				
Passed Through State of Kansas	560,031	678,280	570,662	107,618
Operating Transfers				
Transfer from General Fund	122,207			
Transfer from Supplemental General Fund		50,000		50,000
Total Operating Transfers	122,207	50,000		50,000
Total Cash Receipts	1,142,575	1,179,181	946,484	232,697
Expenditures and Transfers				
Food Service Operations				
Non-Certified Salaries	396,465	392,562	413,000	20,438
Employee Benefits		504		(504)
Group Insurance	63,255	71,579	65,150	(6,429)
Social Security Contributions	28,096	26,812	29,000	2,188
Other Employee Benefits	6,355	3,745	4,500	755
Other Miscellaneous Purchased Services	35,225	25,385	35,000	9,615
Supplies and Materials		1,763		(1,763)
Other	4,855	1,957		(1,957)
Food and Milk	555,249	553,566	560,000	6,434
Miscellaneous Supplies	1,127	269	4,000	3,731
Property (Equipment & Furnishings)	31,024	36,501	45,000	8,499
Other	329	118	2,500	2,382
Total Food Service Operations	1,121,980	1,114,761	1,158,150	43,389
Budget Credit Adjustment			107,618	107,618
Total Expenditures and Transfers	1,121,980	1,114,761	1,265,768	151,007
Receipts Over (Under)				
Expenditures and Transfers	20,595	64,420		
Unencumbered Cash, Beginning	191,071	211,666		
Prior Year Encumbrances Cancelled		25		
Unencumbered Cash, Ending	211,666	276,111		

Professional Development Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Year			
		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)	
Cash Receipts	_				(0 11111)	
Revenue from State Sources						
State Financial Aid	\$	12,935				
Operating Transfers	_					
Transfer from General Fund		124,369				
Transfer from Supplemental General Fund		50,000	100,000		100,000	
Total Operating Transfers	_	174,369	100,000		100,000	
Total Cash Receipts	_	187,304	100,000		100,000	
Expenditures and Transfers						
Support Services - Instructional Staff						
Certified Salaries		37,957	37,542	46,000	8,458	
Non-Certified Salaries		13,754	17,742	14,000	(3,742)	
Social Security Contributions		4,629	4,604	6,000	1,396	
Other Employee Benefits		713	639	1,450	811	
Purchased Professional and Technical Services		62,941	38,449	71,176	32,727	
Other Purchased Services		378	17	9,000	8,983	
Books and Periodicals				6,000	6,000	
Miscellaneous Supplies		4,130	254	10,000	9,746	
Other				5,467	5,467	
Total Expenditures and Transfers	_	124,502	99,247	169,093	69,846	
Receipts Over (Under)						
Expenditures and Transfers		62,802	753			
Unencumbered Cash, Beginning		109,675	173,537			
Prior Year Encumbrances Cancelled		1,060	523			
Unencumbered Cash, Ending		173,537	174,813			

Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Ye	ar
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources \$			50,000	(50,000)
Operating Transfers				
Transfer from General Fund	2,137,449	1,928,950	2,072,197	(143,247)
Transfer from Supplemental General Fund	741,938	700,000	40,000	660,000
Total Operating Transfers	2,879,387	2,628,950	2,112,197	516,753
Total Cash Receipts	2,879,387	2,628,950	2,162,197	466,753
Expenditures and Transfers				
Instruction				
Certified Salaries			3,000	3,000
LEA Payments to COOP (Local Share)	704,012	686,759	800,350	113,591
LEA Payments to COOP (Flowthrough)	2,081,612	1,928,950	2,064,493	135,543
Total Instruction	2,785,624	2,615,709	2,867,843	252,134
Vehicle Operation Services				
Non-Certified Salaries	45,974	50,966	47,000	(3,966)
Social Security Contributions	3,500	3,880	3,700	(180)
Other Employee Benefits	743	494	850	356
Mileage in Lieu of Transportation	13,564		20,000	20,000
Motor Fuel	4,861	8,358	25,000	16,642
Total Vehicle Operation Services	68,642	63,698	96,550	32,852
Total Expenditures and Transfers	2,854,266	2,679,407	2,964,393	284,986
Receipts Over (Under)				
Expenditures and Transfers	25,121	(50,457)		
Unangumbarad Cash, Raginning	777,075	802,196		
Unencumbered Cash, Beginning Unencumbered Cash, Ending	802,196	751,739		
Onencumbered Cash, Ending	002,190	131,139		

Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Year			
		Prior Year Actual	Current Year Actual	Budget		Variance Favorable (Unfavor)
Cash Receipts	_			<u> </u>		(01111111111111111111111111111111111111
Revenue from Federal Sources						
Passed Through State of Kansas	\$	21,601	18,153	21,934	(3,781)
Operating Transfers	-			· · · · · · · · · · · · · · · · · · ·		
Transfer from General Fund		283,083	302,338	200,592		101,746
Transfer from Supplemental General Fund			10,000	79,309	(69,309)
Total Operating Transfers	-	283,083	312,338	279,901		32,437
Total Cash Receipts	-	304,684	330,491	301,835	=	28,656
Expenditures and Transfers						
Instruction						
Certified Salaries		175,230	183,952	181,000	(2,952)
Group Insurance		19,296	20,194	22,000		1,806
Social Security Contributions		12,553	13,135	18,000		4,865
Other Employee Benefits		3,171	1,785	2,050		265
Purchased Professional and Technical Services		41,085	51,221	56,550		5,329
Other Professional Services			1,701		(1,701)
Other Purchased Services		2,655				
Other Miscellaneous Purchased Services		514	695	3,700		3,005
Supplies and Materials			4,178		(4,178)
General Supplies and Materials		13,036	12,171	900	(11,271)
Textbooks		6,890	2,556	5,000		2,444
Miscellaneous Supplies				1,432		1,432
Property (Equipment & Furnishings)	_	20,121	24,033	24,286		253
Total Instruction	_	294,551	315,621	314,918	(703)
Support Services - Instructional Staff						
Purchased Professional and Technical Services			4,673		(4,673)
Other Purchased Services				4,975		4,975
Other Miscellaneous Purchased Services	_	5,005				
Total Support Services - Instructional Staff	_	5,005	4,673	4,975	_	302
Support Services - General Administration						
Certified Salaries	_	1,128			_	
Support Services - School Administration						
Certified Salaries	-		500	1,090	_	590
Total Expenditures and Transfers	-	300,684	320,794	320,983	=	189
Receipts Over (Under)						
Expenditures and Transfers		4,000	9,697			
Unencumbered Cash, Beginning		15,000	19,147			
Prior Year Encumbrances Cancelled		147	156			
Unencumbered Cash, Ending	_	19,147	29,000			

Gifts and Grants Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Vear Ended June 30, 2010

For the Year Ended June 30, 2010 (With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

				Current Ye	ar
Cash Receipts		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Revenue from Local Sources					
Donations	\$ 	154		10,000	(10,000)
Total Cash Receipts		154		10,000	(10,000)
Expenditures and Transfers					
Support Services - Students					
Non-Certified Salaries		6,128	209	7,000	6,791
Other Employee Benefits		1,000	16	1,750	1,734
Supplies and Materials				1,670	1,670
Total Expenditures and Transfers	-	7,128	225	10,420	10,195
Receipts Over (Under)					
Expenditures and Transfers	(6,974)	(225)		
Unencumbered Cash, Beginning		7,394	420		
Unencumbered Cash, Ending		420	195		

KPERS Special Retirement Contribution Fund Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

			Current Yea	ır
	Prior	Current		Variance
	Year	Year	5 . 1	Favorable
C. I. D	Actual	Actual	Budget	(Unfavor)
Cash Receipts				
Revenue from State Sources		2.42.422	= -0.040	((2.1.00=)
Other State Aid	\$ 662,276	343,433	768,240	(424,807)
Total Cash Receipts	662,276	343,433	768,240	(424,807)
Expenditures and Transfers				
Instruction				
Employee Benefits	451,282	464,967	523,487	58,520
Support Services - Students				
Employee Benefits	30,704	32,103	35,617	3,514
Support Services - Instructional Staff				
Employee Benefits	26,146	25,961	30,329	4,368
Support Services - General Administration				
Employee Benefits	21,373	22,278	24,793	2,515
Support Services - School Administration				
Employee Benefits	63,044	62,137	73,131	10,994
**** NOT FOUND ****				
Employee Benefits		1,520		(1,520)
Support Services - Plant Operation and Maintenance				
Employee Benefits	40,953	37,541	47,505	9,964
Student Transportation Services				
Employee Benefits	10,576	8,842	12,268	3,426
Food Service Operations				
Employee Benefits	18,198	18,535	21,110	2,575
Total Expenditures and Transfers	662,276	673,884	768,240	94,356
Receipts Over (Under)				
Expenditures and Transfers		(330,451)		
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending		(330,451)		

Unified School District No. 413 Contingency Reserve Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

(With Com	parative Actu	al Totals for	the Prior	Year Ended	June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers		
Transfer from General Fund	\$ 820,000	
Total Cash Receipts	820,000	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers	820,000	
Unencumbered Cash, Beginning	589,865	1,409,865
Unencumbered Cash, Ending	1,409,865	1,409,865

Textbook & Student Material Revolving Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual	Current Year Actual
Cash Receipts	-		
Revenue from Local Sources			
User Charges and Fines	\$	46,580	47,566
Total Cash Receipts		46,580	47,566
Expenditures and Transfers			
Instruction			
Textbooks		28,519	39,891
Total Expenditures and Transfers		28,519	39,891
Receipts Over (Under)			
Expenditures and Transfers		18,061	7,675
Unencumbered Cash, Beginning		65,758	84,195
Prior Year Encumbrances Cancelled		376	
Unencumbered Cash, Ending		84,195	91,870

Recreation Commission Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

		_	Current Year		
	_	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	164,025	191,285	188,240	3,045
Delinquent Taxes	_	4,283	4,084	2,589	1,495
Total Revenue from Local Sources	_	168,308	195,369	190,829	4,540
Revenue from County Sources					
Motor Vehicle Tax		28,760	27,203	28,092	(889)
Recreational Vehicle Tax		365	353	355	(2)
Revenue in Lieu of Taxes	_	605	484	216	268
Total Revenue from County Sources		29,730	28,040	28,663	(623)
Revenue from State Sources					
Slider		3,231			
Total Cash Receipts	=	201,269	223,409	219,492	3,917
Expenditures and Transfers					
Community Services Operations					
Other		206,382	227,000	227,000	
Total Expenditures and Transfers	_ _	206,382	227,000	227,000	
Receipts Over (Under)					
Expenditures and Transfers	(5,113) (3,591)		
Unencumbered Cash, Beginning		79,028	73,915		
Unencumbered Cash, Ending	_	73,915	70,324		

Rec Comm Emp Benf & Spec Liab Fund

Statement of Cash Receipts and Expenditures - Actual and Budget For the Year Ended June 30, 2010

				ır	
		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts		_			
Revenue from Local Sources					
	\$	28,118	35,090	34,182	908
Delinquent Taxes		832	744	442	302
Total Revenue from Local Sources		28,950	35,834	34,624	1,210
Revenue from County Sources					
Motor Vehicle Tax		5,379	4,964	5,151	(187)
Recreational Vehicle Tax		68	64	65	(1)
Revenue in Lieu of Taxes		115	82	39	43
Total Revenue from County Sources	-	5,562	5,110	5,255	$(\overline{145})$
Revenue from State Sources					
Slider		1,139			
Total Cash Receipts	_	35,651	40,944	39,879	1,065
Expenditures and Transfers					
Community Services Operations					
Other		38,709	41,000	41,000	
Total Expenditures and Transfers		38,709	41,000	41,000	
Receipts Over (Under)					
Expenditures and Transfers	(3,058)	(56)		
Unencumbered Cash, Beginning		16,978	13,920		
Unencumbered Cash, Ending		13,920	13,864		

21st Century Community Learning Centers Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$ 	
Expenditures and Transfers		
Instruction		
Certified Salaries	155	
Support Services - Students		
Non-Certified Salaries	746	
Other Employee Benefits	61	
Total Support Services - Students	807	
Total Expenditures and Transfers	962	
Receipts Over (Under)		
Expenditures and Transfers	(962)	
Unencumbered Cash, Beginning	2,554	1,592
Unencumbered Cash, Ending	1,592	1,592

Technology Literacy Challenge (Title II-D) Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual		Current Year Actual
Cash Receipts	•			
Revenue from Federal Sources				
Passed Through State of Kansas	\$	3,590		6,982
Total Cash Receipts		3,590		6,982
Expenditures and Transfers				
Instruction				
Certified Salaries		2,820		
Purchased Professional and Technical Services		1,010		500
Other Purchased Services				1,624
Supplies and Materials		4		1,937
Property (Equipment & Furnishings)				4,514
Total Expenditures and Transfers		3,834		8,575
Receipts Over (Under)				
Expenditures and Transfers		(244)	(1,593)
Unencumbered Cash, Beginning		4	(240)
Unencumbered Cash, Ending	((240)	(1,833)

Physical Education for Progress Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual	Current Year Actual
Cash Receipts	•		
Revenue from Federal Sources			
Direct From Federal Government	\$	396,941	86,583
Total Cash Receipts		396,941	86,583
Expenditures and Transfers			
Instruction			
Certified Salaries		94,358	51,583
Social Security Contributions		14,930	10,839
Other Employee Benefits		899	
Other Purchased Services		5,400	2,430
General Supplies and Materials		77,893	10,688
Property (Equipment & Furnishings)		23,219	
Other		14,078	578
Total Instruction		230,777	76,118
Support Services - Students			
General Supplies and Materials		(99)	
Support Services - Instructional Staff			
Other Purchased Services		1,342	
Support Services - School Administration			
Certified Salaries		2,987	
Other Employee Benefits		1,008	
Total Support Services - School Administration		3,995	
Total Expenditures and Transfers		236,015	76,118
Receipts Over (Under)			
Expenditures and Transfers		160,926	10,465
Unencumbered Cash, Beginning		(171,391)	(10,465)
Unencumbered Cash, Ending		(10,465)	

Unified School District No. 413 Low Income ESEA (Title I) Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

	Prior Year Actual		Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Passed Through State of Kansas	\$ 411,153		391,452
ARRA Grant			164,614
Total Cash Receipts	411,153		556,066
Expenditures and Transfers			
Instruction			
Certified Salaries	285,911		310,579
Non-Certified Salaries	21,958		105,430
Employee Benefits			1,508
Other Employee Benefits	55,858		82,634
Purchased Professional and Technical Services			49,815
Purchased Property Services			87,381
Other Purchased Services	8,757		
Supplies and Materials	29,400		41,918
General Supplies and Materials	(2)		
Total Expenditures and Transfers	401,882	_	679,265
Receipts Over (Under)			
Expenditures and Transfers	9,271	(123,199)
Unencumbered Cash, Beginning	(11,576)	(2,305)
Unencumbered Cash, Ending	(2,305)	(125,504)

Improving Teacher Quality (Title II-A) Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual	Current Year Actual
Cash Receipts	-		
Revenue from Federal Sources			
Passed Through State of Kansas	\$	68,748	108,619
Total Cash Receipts		68,748	108,619
Expenditures and Transfers			
Instruction			
Certified Salaries		53,206	103,674
Other Employee Benefits		11,988	14,124
Purchased Professional and Technical Services			8,237
Other Purchased Services		12,046	18,318
Supplies and Materials			2,685
Total Expenditures and Transfers		77,240	147,038
Receipts Over (Under)			
Expenditures and Transfers	(8,492)	(38,419)
Unencumbered Cash, Beginning	(25)	(8,517)
Unencumbered Cash, Ending	(8,517)	(46,936)

Innovative Educ Prog Strategies (Title V) Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

	Prior Year Actual		Current Year Actual
Cash Receipts			
None	\$ 		
Expenditures and Transfers			
Instruction			
General Supplies and Materials			28
Total Expenditures and Transfers			28
Receipts Over (Under)			
Expenditures and Transfers		(28)
Unencumbered Cash, Beginning	28		28
Unencumbered Cash, Ending	28		

Unified School District No. 413 Drug-Free Schools (Title IV-A) Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

	Prior Year Actual		Current Year Actual
Cash Receipts			
None	\$ 		
Expenditures and Transfers			
Support Services - Students			
Miscellaneous Supplies			236
Total Expenditures and Transfers			236
Receipts Over (Under)			
Expenditures and Transfers		(236)
Unencumbered Cash, Beginning	236		236
Unencumbered Cash, Ending	236		

Unified School District No. 413 Discretionary Grants Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual	Current Year Actual
Cash Receipts	_		
Revenue from Local Sources			
Other Revenue From Local Sources	\$	3,589	
Revenue from Federal Sources		_	
Passed Through State of Kansas	_	3,589	
Total Cash Receipts		7,178	
Expenditures and Transfers			
Instruction			
Certified Salaries		6,196	
Other Employee Benefits		454	
General Supplies and Materials	_	528	
Total Expenditures and Transfers	-	7,178	
Receipts Over (Under)			
Expenditures and Transfers			
Unencumbered Cash, Beginning Unencumbered Cash, Ending	-		

Unified School District No. 413

Bond and Interest Fund

${\bf Statement\ of\ Cash\ Receipts\ and\ Expenditures\ -\ Actual\ and\ Budget}$ For the Year Ended June 30, 2010

		Prior Year	Current Year	Dudget		Variance Favorable
Cash Receipts	-	Actual	Actual	Budget	_	(Unfavor)
Revenue from Local Sources						
Ad Valorem Taxes	\$	554,083	597,603	589,166		8,437
Delinquent Taxes	Ψ	15,073	14,433	8,650		5,783
Earnings on Investments		13,073	106,053	286,500	(180,447)
Total Revenue from Local Sources		569,156	718,089	884,316	_	166,227)
Revenue from County Sources		307,130	710,007	004,310	_	100,227)
Motor Vehicle Tax		103,509	103,129	107,450	(4,321)
Recreational Vehicle Tax		1,310	1,338	1,357	(19)
Revenue in Lieu of Taxes		2,446	1,617	828	(789
Total Revenue from County Sources		107,265	106,084	109,635	(3,551)
Revenue from State Sources		107,200		10>,000	`_	
State Financial Aid		991,444	971,210	971,211	(1)
Slider		5,301	, , -, <u>-</u>	,		-,
Total Revenue from State Sources		996,745	971,210	971,211	(1)
Total Cash Receipts		1,673,166	1,795,383	1,965,162		169,779)
Expenditures and Transfers						
Debt Service						
Interest (Coupons)		2,023,356	2,023,356	2,023,356		
Total Expenditures and Transfers		2,023,356	2,023,356	2,023,356	=	
Receipts Over (Under)						
Expenditures and Transfers	(350,190)	(227,973)			
Unencumbered Cash, Beginning		985,566	635,376			
Unencumbered Cash, Ending		635,376	407,403			

Unified School District No. 413 Stadium Capital Project Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual	Current Year Actual
Cash Receipts	_		
Revenue from Local Sources			
Donations	\$		20,650
Total Cash Receipts			20,650
Expenditures and Transfers			
Debt Service			
Redemption of Principal		107,646	20,650
Total Expenditures and Transfers		107,646	20,650
Receipts Over (Under)			
Expenditures and Transfers	(107,646)	
Unencumbered Cash, Beginning		107,646	
Unencumbered Cash, Ending			

Unified School District No. 413 School Building Capital Project Fund

School Building Capital Project Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

	Prior Year Actual		Current Year Actual
Cash Receipts	_		_
Revenue from Local Sources			
Earnings on Investments	\$ 358,191		1,287
Other Revenue From Local Sources		(57)
Total Cash Receipts	358,191		1,230
Expenditures and Transfers			
Facilities Acquisition and Construction Services			
Architecture and Engineering Services			2,934
New Buildings Acquisition and Construction	242,862		
Architect Reimburseables	51,810		192
Total Facilities Acquisition and Construction Services	294,672		3,126
Other Services			
Site Improvement Services	328,772		1,626
Total Expenditures and Transfers	623,444	_	4,752
Receipts Over (Under)			
Expenditures and Transfers	(265,253)	(3,522)
Unencumbered Cash, Beginning	2,489,218	_	2,223,965
Unencumbered Cash, Ending	2,223,965		2,220,443

Unified School District No. 413 School Nurse - Needy Family Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual		Current Year Actual
Cash Receipts	·			
Revenue from Local Sources				
Other Revenue From Local Sources	\$	2,858		430
Total Cash Receipts		2,858		430
Expenditures and Transfers				
Support Services - Students				
Supplies and Materials		2,584		819
Total Expenditures and Transfers		2,584		819
Receipts Over (Under)				
Expenditures and Transfers		274	(389)
Unencumbered Cash, Beginning		6,504		6,778
Unencumbered Cash, Ending		6,778		6,389

Unified School District No. 413 Snyder Library Fund Statement of Cash Receipts and Expenditures - Actual For the Year Ended June 30, 2010

		Prior Year Actual	Current Year Actual
Cash Receipts	_		·
Revenue from Local Sources			
Earnings on Investments	\$	14	
Total Cash Receipts	-	14	
Expenditures and Transfers			
Instruction			
Other		2,765	
Total Expenditures and Transfers		2,765	
Receipts Over (Under)			
Expenditures and Transfers	(2,751)	
Unencumbered Cash, Beginning		2,913	162
Unencumbered Cash, Ending	- -	162	162

Unified School District No. 413 Chanute, Kansas Agency Funds

Statement of Cash Receipts and Disbursements

For the Year Ended June 30, 2010

<u>Fund</u>	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds: Junior High:				
Band Club	\$ 99	2,248	2,327	20
Circus of the Kids	2,456	2,2 10	_,=,-	2,456
Journalism	749	5,042	5,432	359
Media Club	386	78	,	464
Office	311	793	639	465
Special Ed Club	173	921	1,070	24
Student Council	137	3,303	3,372	68
Students	4,386	31,736	32,616	3,506
Teacher's Fund	356	1,271	1,359	268
High School:				
Agenda	1,573	1,602	1,849	1,326
American Legion Riders		500		500
Art	55	10	65	1.5
Band	5	280	270	15
Chess Club	2,734	836	1,405	2,165
Chorus Commet Creations	460 806	1,362 10,538	1,722 8,300	100 3,044
Class of 09	383	10,556	383	3,044
Class of 10	46	16	46	16
Class of 11	556	11,405	11,655	306
Class of 12		350	11,000	350
Debate	746	2,627	1,891	1,482
Drama	8	5,411	5,196	223
FACS	141	250	287	104
FBLA	152	7,523	7,550	125
FCA	988	118	801	305
FCLAA	169	3,321	3,207	283
French Club	4,398	1,119		5,517
Green Team		73		73
History Club	38	548	409	177
Juan Hidalgo	000	1,505	2.797	1,505
KFEA KMSE	980 216	4,367	3,787 92	1,560 124
	2,044	15,362	14,605	2,801
Leadership - Studend Govt. Library	195	31	14,003	226
Lock	1/3	7	7	220
Musical		3,079	58	3,021
Newspaper		1,850	390	1,460
NHS	325	978	738	565
Office Scholarship	1,378	2,569	3,674	273
Skills USA	521	1,701	2,037	185
Scholars Bowl	114	280	328	66
Spanish Club	1,326	1,414	51	2,689
Special Education	162	7		169
Spirit Squad	5,150	9,173	10,653	3,670
Spotlight A Comet	12	468		468
Teen Mothers	13			13
Weight Lifting	22			22
Total Student Organizations	34,757	136,072	128,271	42,558
Arbitrage Reserve	124,796		1,000	123,796
Sales Tax	1,075	11,274	11,333	1,016
Other Agency Funds	540	65,102	64,668	974

See accompanying notes to financial statements.

Unified School District No. 413 Chanute, Kansas District Activity Funds

Statement of Cash Receipts, Expenditures and Unencumbered Cash For the Year Ended June 30, 2010

<u>Fund</u>	-	Beginning Cash Balance	Cash Receipts	Expenditures	Ending Cash Balance
Gate Receipts:					
Junior High: Athletics	\$	989	6,953	7,522	420
High School: Athletics	-	23,437	89,402	92,060	20,779
Subtotal Gate Receipts	-	24,426	96,355	99,582	21,199
Special Projects: Junior High: F&SC Interest Scholastic Books			1,765 446 298	1,755 446 298	10
High School: Year Book Pop Machine	_	600 2,195	18,491 3,080	180 3,189	18,911 2,086
Subtotal Special Projects	-	2,795	24,080	5,868	21,007
Total District Activity Funds	=	27,221	120,435	105,450	42,206

See accompanying notes to financial statements.

Unified School District No. 413 Chanute, Kansas Statement of Changes in Long Term Debt For the Year Ended June 30, 2010

<u>Issue</u>	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net <u>Change</u>	Balance end of <u>Year</u>	Interest Paid
OUTSTANDING OBLIGATIONS:										
General Obligation Bonds: Series 2006 School Building	4.0-5.0	4/45/06	42,690,000	9/1/35	42,690,000				42,690,000	2,023,356
Capital Leases: Heating Equipment Controls Stadium Lease - Part II	5.97% 4.10%	2/10/02 4/8/03	447,995 878,874	2/10/17 4/8/08	286,088 625,111		28,934 244,183		257,154 380,928	17,099 25,817
Early Retirement Plan: Exercised Options					407,180			(77,338)	329,842	
POTENTIAL OBLIGATIONS:										
Compensated Absences: Sick Leave Maximum Potential I	Liability				250,032			30,504	280,536	
Early Retirement Plan: Options not Exercised					684,646			90,635	775,281	
Total Long-Term Debt					44,943,057		273,117	43,801	44,713,741	2,066,272

Unified School District No. 413 Chanute, Kansas Statement of Maturity of Long Term Debt For the Year Ended June 30, 2010

<u>Issue</u>	2011	2012	2013	2014	2015	2016/2020	2021/25	2026/30	2031/35	2036	Totals
Principal:											
General Obligation Bonds:											
Series 2006 School Building	g	55,000	290,000	370,000	450,000	3,705,000	6,720,000	10,790,000	16,255,000	4,055,000	42,690,000
Capital Leases:											
Stadium Lease - Part II	181,377	188,837	80,715								450,929
Heating Equipment Controls	s30,509	32,356	34,283	36,495	122,638						256,281
Total Principal	211,886	276,193	404,998	406,495	572,638	3,705,000	6,720,000	10,790,000	16,255,000	4,055,000	43,397,210
<u>Interest:</u>											
General Obligation Bonds:											
Series 2006 School Building	g 2,023,356	2,022,256	2,015,356	2,001,925	1,985,013	9,538,572	8,317,688	6,227,963	2,954,859	93,772	37,180,760
Capital Leases:											
Stadium Lease - Part II	18,623	11,163	3,334								33,120
Heating Equipment Controls	s 15,370	13,537	11,627	9,539	15,006						65,079
Total Interest	2,057,349	2,046,956	2,030,317	2,011,464	2,000,019	9,538,572	8,317,688	6,227,963	2,954,859	93,772	37,278,959
Total Principal and Interest	2,269,235	2,323,149	2,435,315	2,417,959	2,572,657	13,243,572	15,037,688	17,017,963	19,209,859	4,148,772	80,676,169

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

Chanute Unified School District No. 413 is a municipal corporation governed by an elected sevenmember board. These financial statements present the school district as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in these financial statements.

B. Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the school district for the year of 2010:

Governmental Funds:

General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

<u>Special Revenue Funds</u>--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

<u>Debt Service Funds</u>--to account for the accumulation of resources for and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the school district.

<u>Capital Project Funds</u>—to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds:

<u>Trust and Agency Funds</u>--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds and (d) Agency Funds.

C. Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract.

The District has obtained a waiver of generally accepted accounting principles from the State of Kansas which thereby requires this type of special reporting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- 1. Preparation of the budget for the succeeding calendar year on or before August 1st.
- 2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- 3. Public hearing on or before August 15th but at least ten days after publication of notice of hearing.
- 4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended by the following amounts during the year ended June 30, 2010:

<u>Fund</u>	<u>Original Budget</u>	Amended Budget
General Fund	13,143,288	13,201,486
Special Education Fund	2,906,195	2,964,393

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the District:

Contingency Reserve Fund Textbook Rental & Student Material Revolving Fund

21st Century Community Learning Grant Fund
Technology Literacy Challenge (Title II-D) Grant Fund
Fund for the Improvement of Education Grant Fund
Low Income ESEA (Title I) Grant Fund
Improving Teacher Quality (Title II-A) Fund
Innovative Education Strategies (Title V) Fund
Drug-Free Schools (Title IV-A) Grant Fund
Gate Receipts Fund
Special Projects Fund

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Investments

Statutes authorize the School District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the School District or its agent in the District's name. The School District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered, or for which the District or its agent in the District's name holds the securities. Category 2 includes uninsured and unregistered investments for which the dealer bank's trust department or agent in the District's name holds the securities. Category 3 includes uninsured and unregistered investments for which the dealer bank holds the securities. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the special revenue funds designated by Kansas statutes.

<u>Inventories and Prepaid Expenses</u>

Inventories and prepaid expenses, which benefit future periods, are recorded as expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year-end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion which anticipates financing from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities that anticipate financing from proprietary fund operations are accounted for in those funds.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 20th. Delinquent taxes are assessed interest at 12% per annum. The county retains this interest.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Vacation and Sick Pay

The school districts sick leave policy allows crediting each employee with ten days sick leave per year to a maximum of ninety days. At retirement or death all full time employees with fifteen years of service are compensated for fifty percent of accumulated and unused sick leave days.

Early Professional Employee Retirement

The school district's professional employee early retirement plan allows any professional employee, at the employee's option, to take early retirement at ages fifty-five through sixty-five providing the employee has at least fifteen years prior service with the school district. An employee who takes early retirement is entitled to five annual payments equal to fifteen percent of that employee's last basic contracted salary until the end of the contract year in which that employee reaches age sixty-five or five annual payments whichever occurs first. Such payments will be paid into an individual 403(b) account.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The following funds have federal financial assistance due in amounts sufficient to exceed the cash basis violation amounts displayed on Statement 1:

Technology Literacy Challenge	\$ 1,833
Low Income ESEA Title I	125,504
Improving Teacher Quality	46,936

The State of Kansas pays the employers share of Kansas Public Employee Retirement System (KPERS) for each unified school district throughout the state. The Kansas legislature, by statute, created a KPERS fund in each school district's accounting system. The State of Kansas automatically deposits then withdraws the KPERS amount attributable to each school district through each school district's KPERS fund once per quarter. School district personnel have no control concerning these deposit and withdrawal transactions. As of June 30, 2010, the State of Kansas had not deposited nor withdrawn the KPERS amount attributable to Chanute Unified School District No. 413 in the amount of \$330,451. Since the liability was due and payable and the funds had not been received as of June 30, 2010, a cash basis violation resulted and is displayed as such in statement 1 in the amount of \$ (330,451). The State of Kansas subsequently deposited these funds in their entirety on July 7th and 8th.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 3 Detail Notes on All Funds and Account Groups

A. Assets:

Deposits and Investments

K.S.A. 9-1401 establishes the depositories that may be used by the school district. The statute requires banks eligible to hold the school district's funds to have a main or branch bank in the school district and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The school district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 allows the School district to invest idle funds in time deposit-open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The school district has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the school district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the school district's deposits may not be returned to it. State statutes require the school district's deposits in

financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At June 30, 2010, the carrying amount of the school district's deposits was \$10,111,079 and the bank balance was \$12,276,113. Of the bank balance, \$816,476 was secured by federal depository insurance and of the remaining \$11,459,637; \$9,959,637 was collateralized by securities held by the pledging financial institutions' agents in the school district's name, and \$1,500,000 was secured by letters of credit issued by the Federal Home Loan Bank of Topeka, Kansas.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the school district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured and the school district's investment policy requires 100% collateralization at all times.

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles. The School has waived compliance until June 30, 2010, in accordance with K.S.A. 75-1120(a).

B. Liabilities:

Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 75-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. The State of Kansas contributed 8.57% of covered payroll for fiscal year 2010. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for the school's employees for the years ending June 30, 2010, 2009 and 2008 were \$248,468,186, \$242,277,363 and \$220,815,154 respectively equal to the statutory required contributions for each year.

Other Employee Benefits

District policies allow employees to accumulate sick leave. Details of the maximum potential sick leave liability to the District at June 30, 2010 are displayed on Statement 6.

The school district provides an early retirement option for certified personnel who meet certain time of service criteria. Details of the resulting early retirement obligations both incurred and potential are displayed in statement 6.

Capital Lease Obligations

The School District has entered into two lease-purchase agreements for the purpose of purchasing energy conservation equipment and for the purpose of building a sports complex. Details of the lease obligations are displayed in statement 6.

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2010 was \$59,922,000, excluding motor vehicle valuation. The outstanding bonded indebtedness for debt limit determination as of June 30, 2010 was \$8,389,000. Bonds issued during the 2006 fiscal year in the amount of \$42,690,000 caused the aggregate debt to exceed the legal debt limit. However, an order issued by the Kansas State Board of Education gave the School District authority to issue the series 2006 bonds in excess of the legal debt limit.

One General Obligation Bond issue is outstanding as of June 30, 2010 and will mature through the year 2035. It was issued April 15, 2006 in the amount of \$42,690,000 with interest rates varying from 4.0 to 5.0%. Its purpose was for the construction of a new high school facility, a new elementary school facility and for remodeling of the middle school facility.

Details of changes in debt and debt maturity by year are displayed in statement 6.

<u>C.</u>	Operating Transfers:			
	<u>From</u> <u>To</u>	<u>Authority</u>		<u>Amount</u>
	General Fund	Special Education Fund	K.S.A. 72-6428	\$ 1,928,950
	General Fund	Capital Outlay Fund	K.S.A. 72-6428	2,317,271
	General Fund	Vocational Education Fund	K.S.A. 72-6428	302,338
	General Fund	At Risk (4Yr Old) Fund	K.S.A. 72-6428	59,239
	General Fund	At Risk (K-12)	K.S.A. 72-6428	1,412,752
	General Fund	Bilingual Education	K.S.A. 72-6428	22,820
	Supp. General	Food Service Fund	K.S.A. 72-6433	50,000
	Supp. General	At Risk (4Yr Old) Fund	K.S.A. 72-6433	10,000
	Supp. General	At Risk (K-12)	K.S.A. 72-6433	1,026,425
	Supp. General	Special Education Fund	K.S.A. 72-6433	700,000
	Supp. General	Drivers Education Fund	K.S.A. 72-6433	10,000
	Supp. General	Professional Development Fund	K.S.A. 72-6433	100,000
	Supp. General	Vocational Education Fund	K.S.A. 72-6433	10,000
Note 4	Reconciliation of Statement	1 and 2		
	Total Expenditures per Statement 2			\$ 27,328,595
	Plus Non Budgeted Funds:			
	Textbook & Student Material Revolving			39,891
	Innovative Education Strategies (Title V)			28
	Technology Literacy Challenge Grant			8,575
	Physical Education for Progress Grant			76,118
	Low Income ESES Title I Grant			679,265
	Improving Teacher Quality Grant			147,038
	Drug Free Schools Grant			236
	Gate Receipts			99,583
	Special Projects			5,867
	Stadium Capital Project			20,650
	School Building Construction Project			4,752
	School Nurse and Other			819
	Total Expenditures per State	ement 1		28,411,417

Note 5 Joint Ventures

The School District is a participant in a joint venture agreement with seven other school districts for the operation of the ANW Special Education Cooperative. The Coop was formed under an inter-local agreement provided for by the Kansas Statutes. Each unified school district appoints one of its board members to serve as a member of the Coop governing board. Each school district's annual contribution to the Coop is based upon full time enrollment plus other minor adjustment factors. The school district has an unrecorded value equity interest in the Coop that is based upon percentage of contribution. Complete separate statutory basis financial statements for the Coop are available at the ANW Special Education Cooperative administrative office at Humboldt, Kansas. The annual operations contribution to the Coop for the 2010 fiscal year by Unified School District No. 413 was in the amount of \$2,615,709 which represents 33.1% of all contributions made by the eight participating school districts.

Note 6 Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 7 Economic Dependency

The State of Kansas provides state financial aid to the school district for normal operating expenditures. This state financial aid is represented as a percentage of total revenue in the following funds:

General Fund	87%
Supplemental General Fund	44%
Debt Service Fund	54%
Other Funds	21%

Unified School District No. 413 Chanute, Kansas Schedule of Insurance Policies in Force

December	31,	2010
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<u>Name</u>	Policy Number	<u>Expires</u>	Coverage
Employers Mutual Insurance Company Building (90% Coinsurance) (\$1000 Deductible Aggregate) Personal Property Proper in Open-Building	1A9-44-65-11	1/2/2011	\$ 54,771,855 4,968,318 2,028,283
Liability Coverage General Aggregate Limit (Other than PCO) Products-Completed Operations Aggregate Limit Personal and Advertising Limit Each Occurrence Limit Medical Expense Limit (Any One Person) Rented Premises Limit	1D9-44-65-11	1/2/2011	2,000,000 2,000,000 1,000,000 1,000,000 5,000 100,000
Linebacker - Legal Liability	1K9-44-65-11	1/2/2011	1,000,000
Inland Marine Commercial Articles Floater Contractors Equipment Musical Instruments Electronic Data Processing Equipment Software Cameras Builders Risk Signs Scheduled Property Floater	1C9-44-65-11	1/2/2011	38,700 83,660 1,059,039 123,061 10,263 86,000 10,000 6,451
Crime Coverage Faithful Performance Specified Employee Positions	1F9-44-65-11	1/2/2011	15,000 10,000
Commercial Umbrella Retained Limit Occurrence Limit Aggregate Limit	1J9-44-65-11	1/2/2011	10,000 1,000,000 1,000,000
Fleet Coverage - Schedule Liability Uninsured/Underinsured Motorists Auto Medical Payments Comprehensive (\$100 Ded) Collision (\$100 Ded)	1M9-44-65-11	1/2/2011	1,000,000 1,000,000 5,000 A.C.V. A.C.V.
Liberty Mutual Workmen's Compensation Liability Bodily Injury by Accident - Each Accident Bodily Injury by Disease - Each Employee Bodily Injury by Disease - Policy Limit	WC5-141-437603-019	7/1/2010	1,000,000 1,000,000 1,000,000

Unified School District No. 413 Chanute, Kansas Fidelity Bonds of Officers and Employees June 30, 2010

<u>Name</u>	Bond Number	Expires	<u>Amount</u>
Safeco Insurance Company			
Unified School District # 413	24790534	7/19/2011	\$ 15,000
EMC Insurance Faithful Performance of Duty School Excs (6 Positions)	1F9-444-65-11	1/2/2011	15,000 10,000

Harley D. Schlotterbeck CPA, LMPA Rodney M. Burns

SCHLOTTERBECK AND BURNS, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS 702 WEST MAIN *** P.O.BOX 832 CHANUTE, KANSAS 66720

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S& B-

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Education Chanute Unified School District No. 413 Chanute, Kansas

We have audited the financial statements of Chanute Unified School District No. 413 as of and for the year ended June 30, 2010, and have issued our report thereon dated February 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chanute Unified School District No. 413's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chanute Unified School District No. 413's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Chanute Unified School District No. 413's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chanute Unified School District No. 413's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body and management of Chanute Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlotterbeck and Burns. L.L.C.

February 4, 2011

Harley D. Schlotterbeck CPA, LMPA Rodney M. Burns

SCHLOTTERBECK AND BURNS, L.L.C.

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Education Chanute Unified School District No. 413 Chanute, Kansas

Compliance

We have audited Chanute Unified School District No. 413's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Chanute Unified School District No. 413's major federal programs for the year ended June 30, 2010. Chanute Unified School District No. 413's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Chanute Unified School District No. 413's management. Our responsibility is to express an opinion on Chanute Unified School District No. 413's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Chanute Unified School District No. 413's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Chanute Unified School District No. 413's compliance with those requirements.

In our opinion, Chanute Unified School District No. 413 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Chanute Unified School District No. 413 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Chanute Unified School District No. 413's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chanute Unified School District No. 413's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the governing body and management of Chanute Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlotterbeck and Burns, L.L.C.

February 4, 2011

Unified School District No. 413 Chanute, Kansas SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

- 1. The auditor's report expresses an unqualified opinion on the statutory basis financial statement of Unified School District No. 413.
- 2. No reportable conditions were disclosed during the audit of the financial statements
- 3. No instances of noncompliance material to the financial statements of Unified School District No. 413 were disclosed during the audit.
- 4. No reportable conditions relating to the audit of the major federal award programs are reported.
- 5. The auditor's report on compliance for the major federal award programs for Unified School District No. 413 expresses and unqualified opinion.
- 6. No audit findings relative to the major federal award programs for Unified School District No. 413 are reported.
- 7. The programs tested as major programs included:

84.394

State Fiscal Stabilization Fund

- 8. The threshold for distinguishing Types A and B programs was \$300,000.
- 9. Unified School District No. 413 was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

(None Reported)

C. FEDERAL AWARD FINDINGS and QUESTIONED COSTS

(None Reported)

Unified School District No. 413

Chanute, Kansas

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2010

	Federal	
Federal Grantor/Pass-through	CFDA	Federal
Grantor/Program Title	Number	<u>Expenditures</u>
U.S. Department of Agriculture		
Passed through State Department		
of Education		
Child Nutrition Cluster:		
School Breakfast Program	10.553	153,893
National School Lunch Program	10.555	469,968
Summer Food Service Program	10.559	12,496
Fresh Fruits & Vegetables Program	10.582	42,313
Total U.S. Department of Agriculture		678,670
U.S. Department of Education		
Passed through State Department		
of Education		
ESEA Title I (Low Income) Aid	84.010	514,651
Vocational Education - Secondary Improvement	84.048	18,303
Technology Literacy Challenge (Title II-D)	84.318	3,061
Improving Teacher Quality (Title II-A)	84.367	148,038
Data Use	84.372	800
ARRA - Technology Literacy Challenge (Title II-D)	84.386	5,514
Title I Grants to Local Educational Agencies (LEAs), Recovery Act	84.389	164,614
State Fiscal Stabilization Fund	84.394	1,234,312 (1)
U.S. Department of Education		
Direct		
Fund for the Improvement of Education	84.215	76,118
Total U.S. Department of Education		2,165,411
Total Expenditures of Federal Awards		2,844,081

⁽¹⁾ This program was considered a major program.

⁽²⁾ The School District follows the statutory basis of accounting in preparing this schedule.

This method is consistent with the method used in the preparation of the School District's financial statements.